

**STATUS OF PROJECTS IN EXECUTION – FY07**  
**SOPE**  
**SERBIA**

**Operations Policy and Country Services**  
**OCTOBER 10, 2007**



## **Introduction**

The Status of Projects in Execution (SOPE) Report for FY07 provides information on all IBRD/IDA projects that were active as of June 30, 2007. The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document or Program Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY07 SOPE report<sup>1</sup> contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

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<sup>1</sup> Notes:

- Amounts and Graphs for loans/credits/grants in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Operations, which provide quick-disbursing financing to support policy and institutional reforms. For these operations, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed prior actions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus will not include a graph.



**Country: Serbia**

**Project Name (ID):** Transport Rehab ( P075207 )

**Country:** Serbia

**Board Approval Date :** 05/25/2004

**Midterm Review Date :** 10/01/2006

**Closing Date :** 06/30/2011

**Loan/Credit/Grant Number :** IDA-39090, IBRD-74630

**Sector(s):** Roads and highways(70%), Central government administration(25%), General transportation sector(5%)

**Theme(s):** Administrative and civil service reform(P), Infrastructure services for private sector development(P), Injuries and non-communicable diseases(P), Regional integration(S), Regulation and competition policy(S)

**Project Development Objectives:**

The project seeks to assist the Government of Serbia in reducing cost and improving safety for road users.

**The project was restructured, or received Additional Financing during FY 07**

The project was restructured in FY07 following the approval of additional financing of US\$50 million. The restructuring focused on modifying the project development objective to better reflect the project activities and its scope and amending key performance indicators to assess progress towards the revised objective.

**Progress toward achieving development objective(s):**

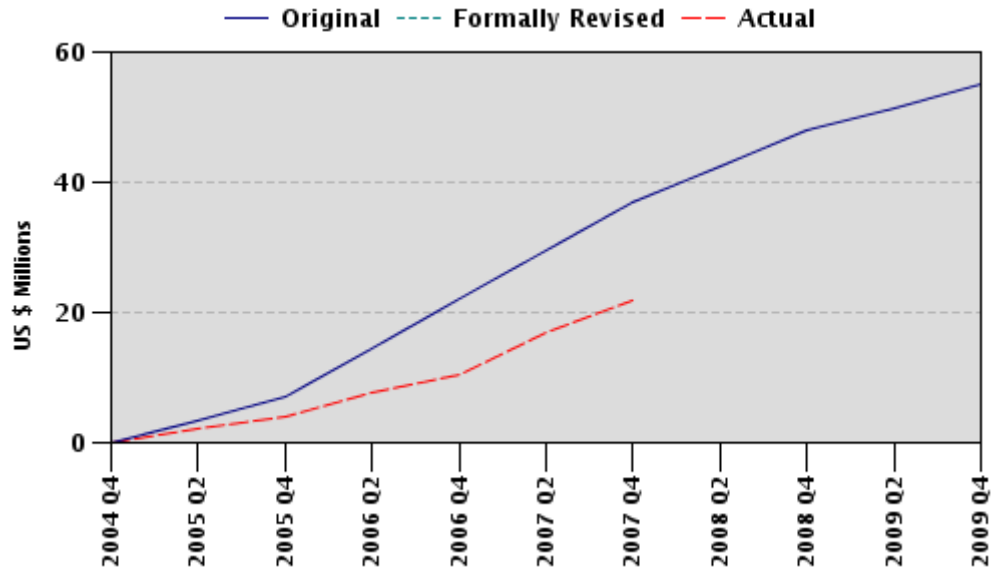
The project is proceeding well towards achieving its development objectives. The introduction of output-based performance contracts for road maintenance in two pilot regions has been so successful that the Road Directorate made the decision to expand this approach to all 25 districts of Serbia, starting April 2007. The rehabilitation of selected road sections, under the project, has improved their condition and resulted in reduction of road user costs. The Road Directorate's database is now computerized and operational.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39090	Effective	56.83	21.88	34.45	0.00
IBRD-74630	Not Effective	49.67	0.00	49.67	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Energy Efficiency ( P075343 )

**Country:** Serbia

**Board Approval Date :** 03/16/2004

**Closing Date :** 04/30/2010

**Loan/Credit/Grant Number :** IDA-38701, IDA-38700, IBRD-74660

**Sector(s):** District heating and energy efficiency services(97%), Central government administration(3%)

**Theme(s):** Climate change(P), Pollution management and environmental health(P), Access to urban services and housing(P), Public expenditure, financial management and procurement(S)

**Project Development Objectives:**

The development objective is to improve energy efficiency in heating buildings in order to improve the functional and health environment of the users and make heating more affordable. An important associated objective is to reduce the local and global environmental impact of the use of dirty fuels for heating buildings in Serbia.

**The project was restructured, or received Additional Financing during FY 07**

Additional financing of US\$28 million equivalent was approved in June 2007 to complete the original scope of the project (energy efficiency improvements in three social care buildings, eight schools and six hospitals that had been dropped due to a cost overrun) and to scale up energy efficiency improvements to include: rehabilitation of the heat supply system of the Nis Clinical Center and energy efficiency improvements in campus buildings; retrofitted lighting in 20 schools; and energy efficiency improvements in an additional seven social care buildings, and 20 schools and hospitals throughout Serbia. The project development objective was not changed.

**Progress toward achieving development objective(s):**

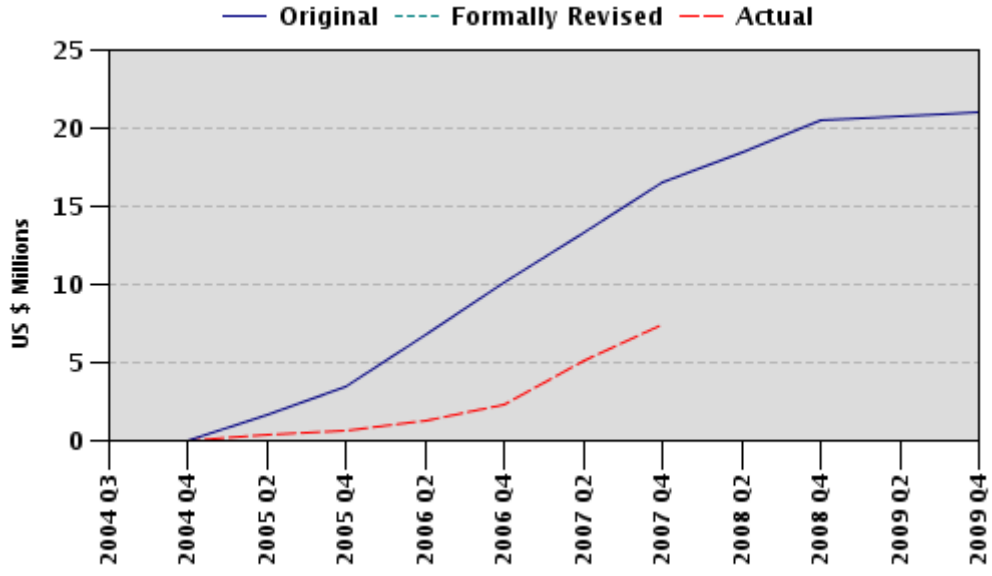
Good progress has been made toward achieving the project development objective. Energy efficiency improvements have been completed in six schools and four hospitals, and the design and preliminary works have been completed in the Belgrade Clinical Center, including the replacement of 15 of the 55 substations in heating networks and the shutting down of three of the six coal-fired boilers, resulting in a significant reduction in pollution. The results from the retrofitting completed at schools and hospitals are very encouraging, with improved comfort and reduced energy bills being reported.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38701	Not Effective	10.00	0.00	10.00	0.00
IDA-38700	Effective	21.37	7.36	13.84	0.00
IBRD-74660	Not Effective	17.95	0.00	17.95	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Health ( P077675 )  
**Country:** Serbia  
**Board Approval Date :** 05/22/2003  
**Midterm Review Date :** 09/15/2006  
**Closing Date :** 02/28/2008  
**Loan/Credit/Grant Number :** JPN-51137, IDA-37680  
**Sector(s):** Health(90%), Non-compulsory health finance(10%)  
**Theme(s):** Health system performance(P)

**Project Development Objectives:**

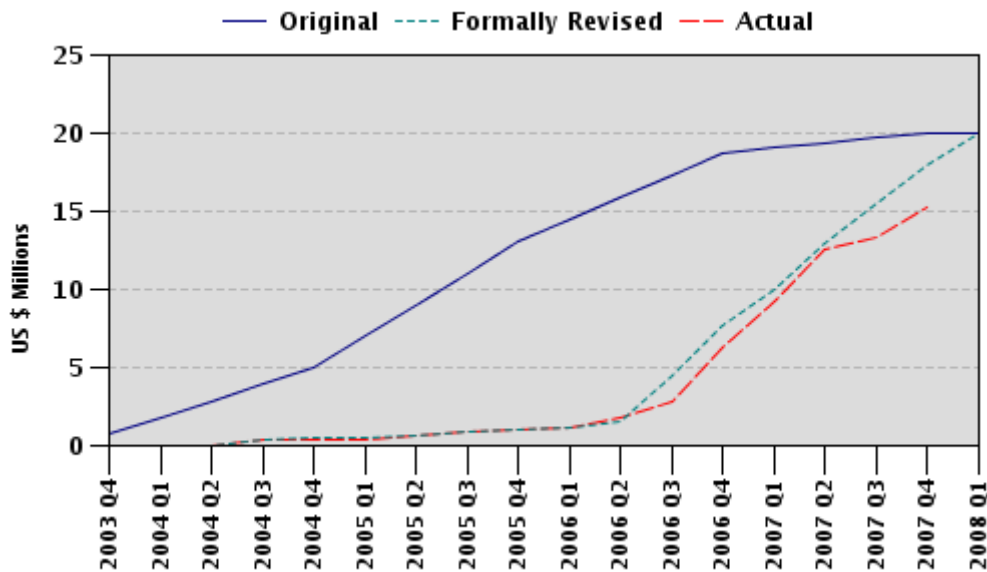
The objective is to build capacity to develop a sustainable, performance-oriented health care system where providers are rewarded for quality and efficiency and where health insurance coverage ensures access to affordable and effective care.

**Progress toward achieving development objective(s):**

The project is progressing well towards achieving its planned objectives and has thus far contributed to positive changes in the four pilot hospitals being restructured and has also contributed to the overall improvement in sector-wide indicators, especially on the quality and satisfaction of primary health care.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-51137	Closed	0.50	0.40	0.00	0.10
IDA-37680	Effective	22.28	15.18	6.78	0.00



**Project Name (ID):** Real Estate Cadastre ( P078311 )

**Country:** Serbia

**Board Approval Date :** 05/25/2004

**Closing Date :** 10/31/2010

**Loan/Credit/Grant Number :** JPN-52795, IDA-39080

**Sector(s):** General agriculture, fishing and forestry sector(30%), Housing finance and real estate markets(30%), Information technology(20%), Sub-national government administration(15%), Law and justice(5%)

**Theme(s):** Personal and property rights(P), Land administration and management(P), Other accountability/anti-corruption(S), Other urban development(S)

**Project Development Objectives:**

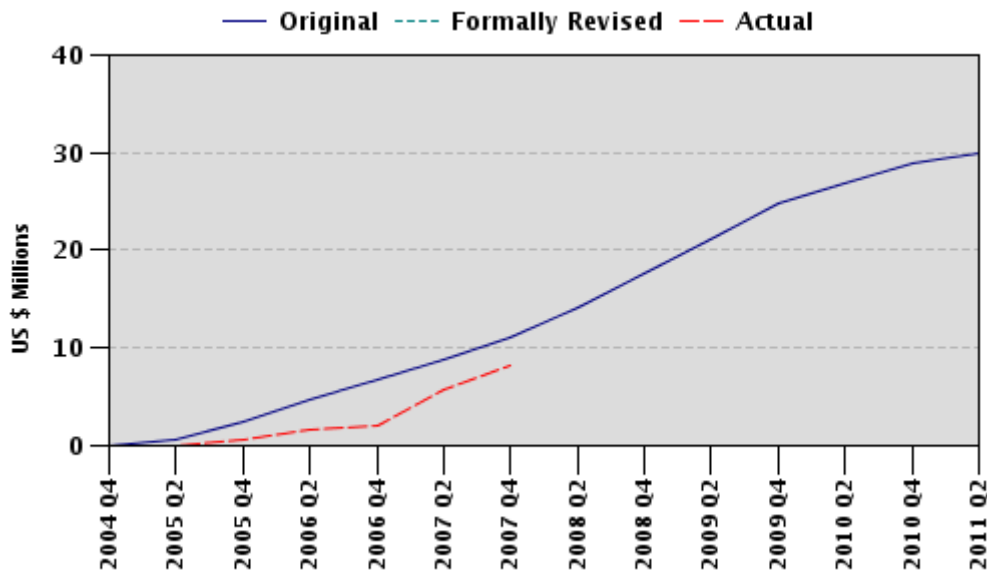
The project seeks to build a more efficient property registration and cadastre system and increase public confidence in the immovable property market.

**Progress toward achieving development objective(s):**

The property market, especially mortgages, is growing steadily and the services being provided by the agency responsible are appreciated and improving. All aspects of the project are going well. There remain significant challenges to completing all the technical work, especially with regard to providing a complete cadastre in the urban areas and implementing the main computerized information system.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-52795	Closed	0.38	0.37	0.00	0.01
IDA-39080	Effective	30.46	8.16	22.15	0.00



**Project Name (ID):** Danube Enterprises Pollution Reduction (GEF) ( P084604 )

**Country:** Serbia

**Board Approval Date :** 05/12/2005

**Closing Date :** 03/31/2010

**Loan/Credit/Grant Number :** MULT-52513, MULT-54908

**Sector(s):** General agriculture, fishing and forestry sector(40%), Central government administration(30%), Agricultural extension and research(20%), Agro-industry(10%)

**Theme(s):** Pollution management and environmental health(P), Environmental policies and institutions(S), Rural policies and institutions(S)

**Project Development Objectives:**

The project development objective is the adoption of European Union Acquis compliant measures for reducing agricultural nutrient pollution in the Danube River in selected enterprises in Serbia. The global development objective is to reduce nutrient flows into water bodies connected to the Danube River.

**Progress toward achieving development objective(s):**

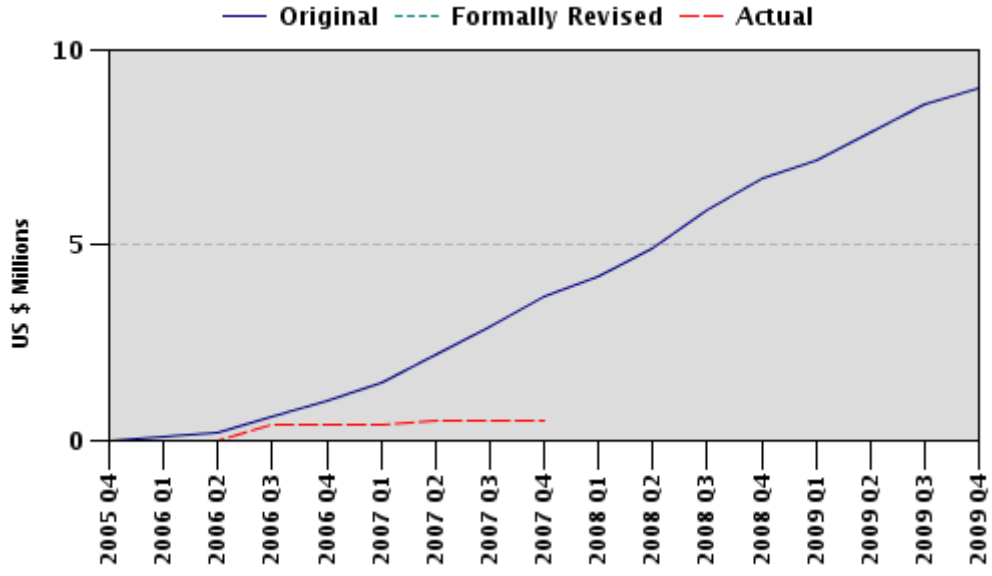
In FY2007, the project made good progress in all components but in initiating investments in farms and slaughterhouses. This includes especially training, public awareness raising, equipment acquisition for key government institutes, including the Soil Science Institute and the Hydrometeorological Institute. However, more than 1.5 years into project effectiveness, no construction or equipment acquisition has occurred for nutrient management. Farmer interest in the project areas has been satisfactory, the factors delaying on-farm investments had more to do with procedural issues (procurement, devising and obtaining government approval for pro-forma agreements with beneficiary enterprises) and bottlenecks in obtaining water permits. With both types of issues now being resolved, investments are expected to proceed in FY2008. The expansion of project area and increase in grant contributions as requested by the government should provide the project with a larger pool of interested and financially viable farms.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-52513	Closed	0.35	0.29	0.00	0.06
MULT-54908	Effective	9.02	0.50	8.52	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Irrigation/Drainage Rehab. ( P087964 )

**Country:** Serbia

**Board Approval Date :** 07/12/2005

**Closing Date :** 05/31/2011

**Loan/Credit/Grant Number :** IBRD-74670, IDA-41050, JPN-54608

**Sector(s):** Irrigation and drainage(73%), Central government administration(27%)

**Theme(s):** Water resource management(P), Rural services and infrastructure(P), Natural disaster management(P), Rural policies and institutions(S)

**Project Development Objectives:**

The project's main objectives are to (a) improve the capacity for increased efficiency of agricultural production through support of high priority rehabilitation of drainage and irrigation infrastructure; (b) reduce the risk of damage from flooding to land, crops property and infrastructure as well as reducing the risk of loss of life from flooding in project areas; and (c) improve water resources management and strengthen the associated water resource management institutions and policies.

**The project was restructured, or received Additional Financing during FY 07**

Additional financing amounting to US\$50 million was approved to support further rehabilitation of canals and to control structures to prevent recurrence of the devastating floods of the recent years.

**Progress toward achieving development objective(s):**

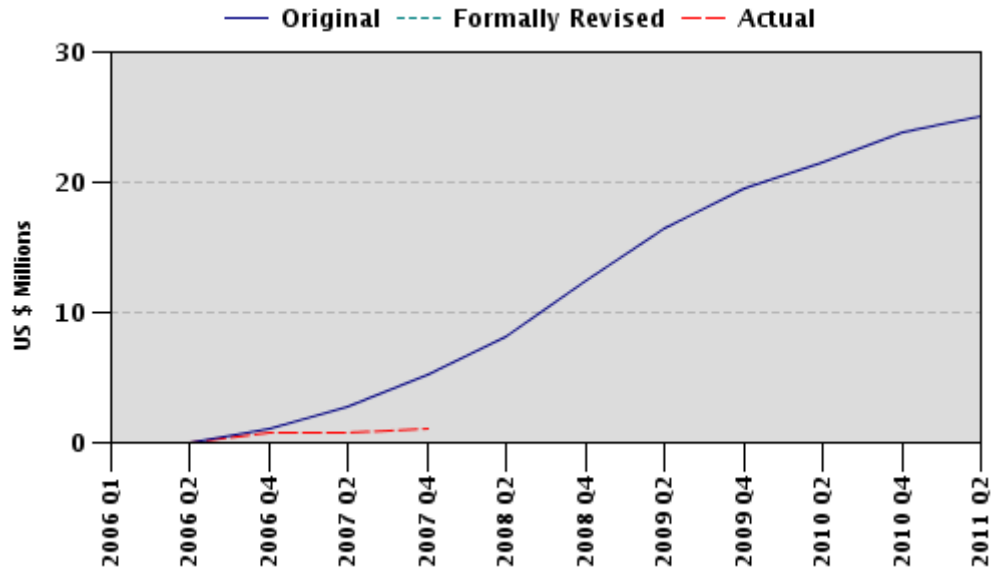
Although the project is lagging somewhat behind in the institutional reforms and minor irrigation development activities, it is progressing towards development objectives. Project management has improved since the recent elections and agreements have been reached with main stakeholders on system responsibilities. To date, one drainage canal system has been rehabilitated, a second one is reaching completion, and bidding documentation is completed for a third one. Additional financing will expand works on drainage.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-74670	Not Effective	49.67	0.00	49.67	0.00
IDA-41050	Effective	25.16	0.99	24.16	0.00
JPN-54608	Closed	0.29	0.28	0.00	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** ECSEE APL #2 ( P088867 )

**Country:** Serbia

**Board Approval Date :** 06/30/2005

**Closing Date :** 02/28/2010

**Loan/Credit/Grant Number :** IDA-40900

**Sector(s):** Power(100%)

**Theme(s):** Regional integration(P), Regulation and competition policy(P)

**Project Development Objectives:**

The objective of Energy Community of South East Europe (ECSEE) Adaptable Lending Program is the development of a functioning regional electricity market in South East Europe and its integration into the internal electricity market of the European Union. The project objective is to improve electricity market access for consumers and suppliers.

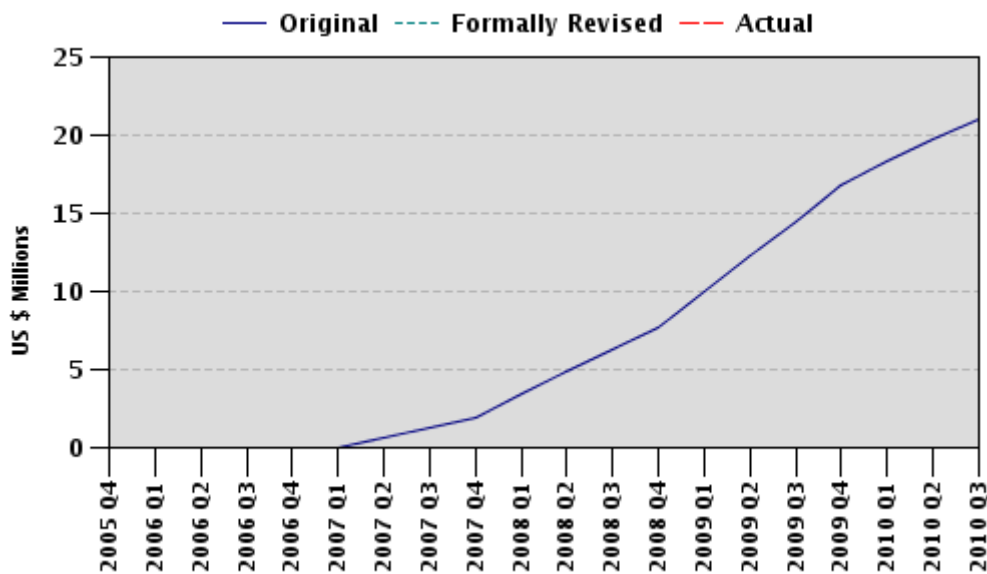
**Progress toward achieving development objective(s):**

The project has gotten off to a slow start, but bids for sub-station rehabilitation have been received, and bids for transmission line repair are expected in August 2007.

Disbursements are expected to begin once contracts are signed. Serbia has signed the Energy Community of South East Europe (ECSEE) Treaty. Secondary regulations, transmission and distribution codes and market rules are being prepared.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40900	Effective	21.07	0.00	21.07	0.00



**Project Name (ID):** Consolidated Collection and Pension Admin. Reform ( P090418 )

**Country:** Serbia

**Board Approval Date :** 05/31/2005

**Closing Date :** 09/30/2010

**Loan/Credit/Grant Number :** IDA-40710

**Sector(s):** Compulsory pension and unemployment insurance(76%), Central government administration(21%), Banking(3%)

**Theme(s):** Social risk mitigation(P), Administrative and civil service reform(P)

**Project Development Objectives:**

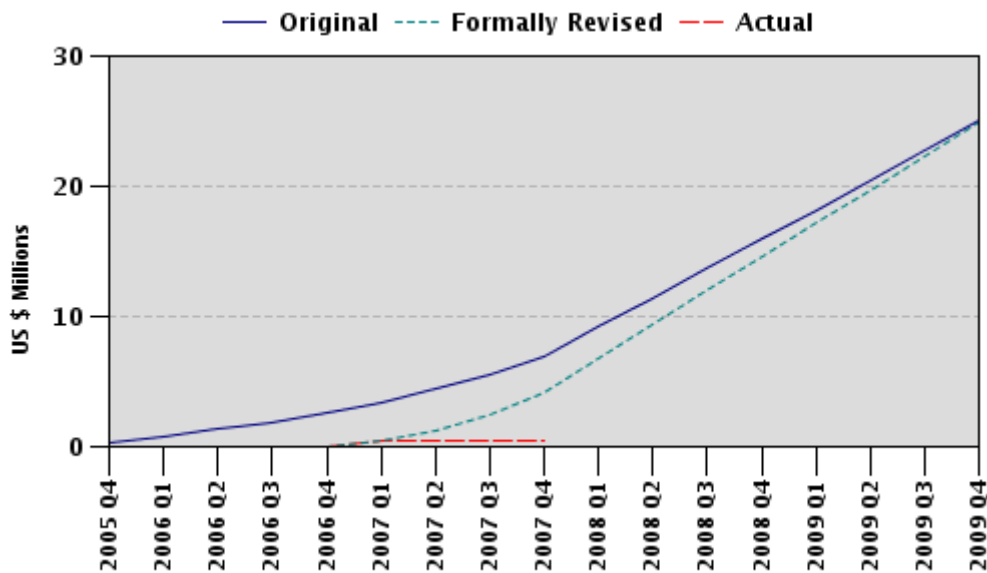
The objective is to improve the effectiveness and efficiency of the pension system through the modernization and streamlining of the institutional capacity in the pension system, improved pension system administration, developed capacity for policy identification, analysis and monitoring and increased public understanding of the system.

**Progress toward achieving development objective(s):**

Due to the extremely slow implementation of the project so far, only the initial assignments within each of the segments of the reform have been completed or are close to completion. Therefore, the project is currently not on track to meet its development objectives. While the new government is eager for the project to proceed more quickly, it is expected to be a challenge, and their full dedication will be required to implement the project successfully.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40710	Effective	25.16	0.38	24.77	0.00



**Project Name (ID):** Bor Regional Development Project ( P092999 )

**Country:** Serbia

**Board Approval Date :** 06/20/2007

**Closing Date :** 09/30/2012

**Loan/Credit/Grant Number :** IBRD-74640, IDA-43260, JPN-56156

**Sector(s):** Mining and other extractive(50%), Other social services(22%), General public administration sector(12%), Micro- and SME finance(11%), General industry and trade sector(5%)

**Theme(s):** State enterprise/bank restructuring and privatization(P), Small and medium enterprise support(P), Pollution management and environmental health(P), Improving labor markets(P), Regional integration(S)

**Project Development Objectives:**

The development objective of the project is to support the Government of Serbia's efforts to revive the depressed Bor region through: (a)dealing with urgent environmental and social legacy issues arising from mining sector restructuring; and (b)fostering new sources of economic growth and job creation in the region.

**Progress toward achieving development objective(s):**

The project loan was not yet effective by the end of the reporting period.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-74640	Not Effective	32.80	0.00	32.80	0.00
IDA-43260	Not Effective	10.00	0.00	10.00	0.00
JPN-56156	Closed	0.88	0.51	0.36	0.00



**Project Name (ID):** Trans. Agriculture Reform ( P094212 )

**Country:** Serbia

**Board Approval Date :** 06/20/2007

**Closing Date :** 12/31/2011

**Loan/Credit/Grant Number :** JPN-55134, IBRD-74650

**Sector(s):** Central government administration(65%), Agricultural extension and research(35%)

**Theme(s):** Rural services and infrastructure(P), Rural policies and institutions(P), Rural markets(S), Regional integration(S)

**Project Development Objectives:**

The project development objective is to enhance the competitiveness of Serbian agriculture. The global environmental objective is to conserve the globally important ecosystem in the Stara Planina mountainous area.

**Progress toward achieving development objective(s):**

The project loan was not yet effective before the close of the reporting period.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
JPN-55134	Effective	0.57	0.28	0.29	0.00
IBRD-74650	Not Effective	16.87	0.00	16.87	0.00

